(b) whether Government have been able to contain the fiscal deficit at the target fixed;

(c) if not, the reasons therefor; and

(d) what steps have been taken to bring the fiscal deficit under control?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Fiscal deficit target for 1999-2000 was Rs. 79995 crore as per Budget 1999-2000.

(b) to (d) It is the endeavour of the Government to contain the fiscal deficit at a reasonable level by maximising non-debt receipts and controlling non-productive expenditure. A close watch is being kept on trends of expenditure with a view to taking corrective action. Instructions for containing the non-productive expenditure have been issued from time to time.

Reduction in NPAs of Banks

497. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news item captioned "No respite for public sector banks from NPAs" which appeared in the Statesman dated 14th January, 2000;

(b) if so, whether Government have not been taking it seriously to reduce NPAs of various public sector banks; and

(c) what further plans Government propose to make to reduce NPAs of various public sector banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) and (c) Reserve Bank of India/Government of India as well as public sector banks have taken a number of steps not only to check the fresh incidence of NPAs but also to ensure recovery of NPAs. These are:

(i) In order to prevent the accretion of fresh NPAs banks have taken steps to upgrade the credit appraisal skills at different levels.

(ii) All public sector banks have documents of loan recovery policy prepared and duly vetted by Board of Directors.

(iii) Banks take steps to reduce their NPAs through negotiated settlements to ensure maximum recovery at minimum expenses.

(iv) Recovery cells have been set up at Head Office under a General Manager and branch wise targets have been set up by banks. Performance of branches in recovery is monitored by Head Office on monthly basis and Board of Directors are kept informed of the progress on quarterly basis.

Debt Recovery Tribunals at Calcutta, Delhi, Bangalore, Ahmedabad, Chennai, Guwahati, Jaipur, Patna, Mumbai, Jabalpur, Hyderabad and Ernakulam and Appellate Tribunals in Mumbai and Chennai have been set up so far to assist speedy recoveries of banks dues. On 17th January, 2000 an Ordinance has been promulgated for giving increased powers to the DRTs in order to render them more effective in the realisation of dues to banks and FIs.

(v) Settlement advisory committees headed by retired Judges have been set up by nine banks to examine and recommend compromise proposals to the competent authorities for their consideration in respect of large advances.

(vi) Settlement Advisory committees of executives have been set up as per guidelines issued by RBI to liquidate more than three year old NPAs of SSI Sector and small loans by compromise settlement.

In order to further expedite the recovery mechanism, the Recovery of Debts Due to banks and Financial Institutions Act, 1993 has been amended by promulgation of an ordinance on 17th January, 2000.

The ordinance seeks to, *inter-alia*, provide for set-off and counter

claims, appointment of receivers and commissioners by the Tribunals, appointment of more than one recovery officer and empowering the Tribunals to distribute the sale proceeds among secured creditors in accordance with the provisions of Section 529 A of Companies Act.

Financial Assistance to Rural Infrastructure Development Fund For Irrigation

498. SHRI A. VIJAYA RAGHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have taken any decision to give financial assistance to the States for enhancing the irrigation sector under the Rural Infrastructure Development Fund;

(b) if so, the details thereof and the State-wise break-up of the assistance given; and

(c) the steps taken by Government to enhance the irrigation facilities?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Yes, Sir. National Bank for Agriculture and Rural Development (NABARD) provides financial assistance to State Governments and State-owned Corporations under Rural Infrastructure Development Fund (RIDF) Scheme for completion of on-going projects relating to rural infrastructure including irrigation projects. The State-wise details of the total number of projects and the amount sanctioned by NABARD under RIDF-I to V for irrigation sector are given in the enclosed statement (*See* below).

(c) Besides the above, NABARD has also taken several measures to increase the flow of refinance through banks for Minor Irrigation (MI) investments. Some of these are:

(i) Increase in the quantum of refinance from 50% to 90%;

(ii) Unrestricted refinance allocation for MI sector for all banks;

(iii) Uniform interest rate of 8.5% per annum for commercial banks. In respect of Regional Rural Banks and Co-operatives,